

## STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL NO. 1815By: Adair, Voskuhl, Hutchison,  
Hefner, Steidley and  
Thornbrugh of the House

and

Robinson of the Senate

COMMITTEE SUBSTITUTE( Telecommunications - Oklahoma Telecommunications  
Act of 1997 - repealing 17 O.S., Section 137.1 -  
codification - noncodification - effective  
date -

emergency )

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in  
the Oklahoma Statutes as Section 139.101 of Title 17, unless there is  
created a duplication in numbering, reads as follows:This act shall be known and may be cited as the "Oklahoma  
Telecommunications Act of 1997".SECTION 2. NEW LAW A new section of law to be codified in  
the Oklahoma Statutes as Section 139.102 of Title 17, unless there is  
created a duplication in numbering, reads as follows:

As used in the Oklahoma Telecommunications Act of 1997:

1. "Access line" means the facility provided and maintained by a  
telecommunications service provider which permits access to or from  
the public switched network;2. "Basic local exchange service" means an access line and dial  
tone provided to the premises of residential or business customers  
for the transmission of two-way switched or dedicated communication  
for usage with the local exchange area including:

a. a primary directory listing,

- 1       b. dual-tone multifrequency signaling,
- 2       c. access to operator services,
- 3       d. access to directory assistance services,
- 4       e. access to telecommunications relay services for the
- 5       hearing impaired,
- 6       f. access to nine-one-one service where provided by a
- 7       local governmental authority or multijurisdictional
- 8       authority, and
- 9       g. access to interexchange long distance services;
- 10      3. "Commission" means the Corporation Commission of this state;
- 11      4. "Competitive area" means a geographic area in which the
- 12      Commission determines that two or more providers are offering a
- 13      substantial range of local exchange telecommunications services;
- 14      5. "Competitive service" means a telecommunications service
- 15      determined by the Commission to be offered by two or more providers
- 16      to a majority of end users in an area or exchange;
- 17      6. "Competitively neutral" means not advantaging or favoring one
- 18      person over another;
- 19      7. "End User Common Line Charge" means the flat rate monthly
- 20      interstate access charge required by the Federal Communications
- 21      Commission that contributes to the cost of local service;
- 22      8. "Enhanced service" means a service that is delivered over
- 23      communications transmission facilities and that uses computer
- 24      processing applications to:
  - 25       a. change the content, format, code, or protocol of
  - 26       transmitted information,
  - 27       b. provide the customer new or restructured information,
  - 28       or
  - 29       c. involve end user interaction with information stored in
  - 30       a computer;
- 31      9. "Exchange" means a geographic area established by an
- 32      incumbent local exchange telecommunications provider as filed with or
- 33      approved by the Commission for the administration of local
- 34      telecommunications service in a specified area which usually embraces
- 35      a city, town, or village and its environs and which may consist of
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1 one or more central offices together with associated plant used in  
2 furnishing telecommunications service in that area;

3 10. "Facilities" means all the plant and equipment of a  
4 telecommunications service provider, including all tangible and  
5 intangible real and personal property without limitation, and any and  
6 all means and instrumentalities in any manner owned, operated,  
7 leased, licensed, used, controlled, furnished, or supplied for, by,  
8 or in connection with the regulated business of any  
9 telecommunications service provider;

10 11. "Incumbent local exchange telecommunications service  
11 provider" means, with respect to an area or exchange or exchanges,  
12 any telecommunications service provider furnishing local exchange  
13 service in such area or exchange or exchanges within this state on  
14 July 1, 1995, pursuant to a certificate of convenience and necessity  
15 or grandfathered authority;

16 12. "Local exchange telecommunications service" means a  
17 regulated switched or dedicated telecommunications service which  
18 originates and terminates within an exchange or an exchange service  
19 territory. Local exchange telecommunications service may be  
20 terminated by a telecommunications service provider other than the  
21 telecommunications service provider on whose network the call  
22 originated. The local exchange service territory defined in the  
23 originating provider's tariff shall determine whether the call is  
24 local exchange service;

25 13. "Local exchange telecommunications service provider" means a  
26 company holding a certificate of convenience and necessity from the  
27 Commission to provide local exchange telecommunications service;

28 14. "Market-based rate" means a rate set by the provider;

29 15. "Oklahoma High Cost Fund" means the fund established by the  
30 Commission in Cause Nos. PUD 950000117 and 950000119;

31 16. "Oklahoma Universal Service Fund" means the fund established  
32 pursuant to OAC 165:55-17-21;

33 17. "Person" means any individual, partnership, association,  
34 corporation, governmental entity, public or private organization of  
35 any character, or any other entity;

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1 18. "Pricing flexibility" means the ability of a provider of  
2 telecommunications service to establish the price of its services at  
3 market-based rates where the Commission has determined the service or  
4 the area to be competitive;

5 19. "Regulated telecommunications service" means the offering of  
6 telecommunications for a fee directly to the public where the rates  
7 for such service are regulated by the Commission. Regulated  
8 telecommunications service does not include the provision of  
9 nontelecommunications services, including, but not limited to, the  
10 printing, distribution, or sale of advertising in telephone  
11 directories, maintenance of inside wire, customer premises equipment,  
12 and billing and collection service, nor does it include the provision  
13 of wireless telephone service, enhanced service, and other  
14 unregulated services, including services not under the jurisdiction  
15 of the Commission, and services determined by the Commission to be  
16 competitive pursuant to subsection G of Section 3 of this act;

17 20. "Tariff" means all or any part of the body of rates, tolls,  
18 charges, classifications, and terms and conditions of service  
19 relating to regulated services offered, the conditions under which  
20 offered, and the charges therefor, which have been filed with the  
21 Commission and have become effective;

22 21. "Telecommunications" means the transmission, between or  
23 among points specified by the user, of voice or data information of  
24 the user's choosing, without change in the form or content of the  
25 information as sent and received;

26 22. "Telecommunications carrier" means a person that provides  
27 telecommunications service in this state;

28 23. "Telecommunications service" means the offering of  
29 telecommunications for a fee;

30 24. "Universal service area" has the same meaning as the term  
31 "service area" as defined in 47 U.S.C., Section 214(e)(5); and

32 25. "Wire center" means a geographic area normally served by a  
33 central office.

34 SECTION 3. NEW LAW A new section of law to be codified in  
35 the Oklahoma Statutes as Section 139.103 of Title 17, unless there is  
36 created a duplication in numbering, reads as follows:

1 A. The tariffed and effective rates of a provider of regulated  
2 telecommunications service on file with the Corporation Commission on  
3 July 1, 1997, shall remain the effective rates until changed pursuant  
4 to the provisions of this act.

5 B. On or after July 1, 1997, any company providing regulated  
6 telecommunications service may elect to be regulated pursuant to the  
7 provisions of this section rather than by rate base, rate of return  
8 regulation by notifying the Commission, in writing, of such election.

9 C. The Commission shall not approve an increase in the basic  
10 local exchange service rates of an incumbent local exchange  
11 telecommunications service provider before January 1, 2000, unless  
12 such provider has made an election to remain under traditional rate  
13 base, rate of return regulation, also known as local exchange rate  
14 regulation; provided, companies serving fewer than seventy-five  
15 thousand (75,000) access lines or subject to subsection B of Section  
16 137 of Title 17 of the Oklahoma Statutes may adjust local exchange  
17 rates in the manner provided for in that subsection.

18 D. No company shall increase or decrease any regulated  
19 telecommunications service rate without approval of the Commission,  
20 except as provided herein and in subsection B of Section 137 of Title  
21 17 of the Oklahoma Statutes. Not later than September 1, 1997, the  
22 Commission shall promulgate rules to permit proposed or revised  
23 tariffs of providers of telecommunications services to become  
24 effective according to the following provisions:

25 1. Any such proposed or revised tariff that proposes a rate  
26 decrease or proposes a new service shall be deemed lawful and shall  
27 be effective thirty (30) days after the date on which it is filed  
28 with the Commission unless the Commission takes action under this  
29 subsection before the end of the thirty-day period;

30 2. Any such proposed or revised tariff that proposes a rate  
31 increase shall be deemed lawful and shall be effective forty-five  
32 (45) days after the date on which it is filed with the Commission  
33 unless the Commission takes action under this subsection before the  
34 end of the forty-five-day period;

35 3. The Commission may suspend the effectiveness of a proposed or  
36 revised tariff, provided:

1 a. the Commission shall either approve, reject, or, with  
2 the consent of the company, modify the proposed or  
3 revised tariff, after hearing, within ninety (90) days  
4 from the date of filing of the proposed or revised  
5 tariff, which period may be extended by the Commission  
6 for an additional period not to exceed thirty (30)  
7 days, and

8 b. if the hearing has not been concluded and an order  
9 issued within the period of suspension, the proposed or  
10 revised tariff may go into effect at the end of such  
11 period, at the option of the company, subject to  
12 refund; provided, the period for which a company shall  
13 be liable for a refund shall not exceed ninety (90)  
14 days; and

15 4. The Commission shall promulgate rules as required by this  
16 subsection that shall apply equally to all similarly situated  
17 providers of local exchange telecommunications services and that  
18 shall impose safeguards against predatory, anticompetitive, or  
19 discriminatory pricing and provisioning and against subsidization of  
20 competitive services with revenues from noncompetitive services.  
21 Such safeguards shall reflect, at a minimum, consideration of the  
22 following factors: the incremental cost of the service, the  
23 potential impact on competition, the potential impact on end users  
24 generally, and such other factors as the Commission may determine to  
25 be significant after notice and hearing.

26 E. At any hearing involving a proposed or revised tariff, the  
27 burden of proof to show that the proposed or revised tariff is just  
28 and reasonable shall be upon the person proposing the new or revised  
29 tariff.

30 F. The Commission shall permit the offering of discount packages  
31 of services, promotions, and market trials designed to achieve  
32 overall lower rates for end users provided the pricing for such is  
33 consistent with the safeguards contained in the Commission's rules as  
34 required by paragraph 4 of subsection D of this section.

1 G. Notwithstanding the other provisions of this section, a local  
2 exchange telecommunications service provider shall have pricing  
3 flexibility:

4 1. For a regulated telecommunications services in all areas where  
5 such service is determined to be a competitive service by the  
6 Commission: and

7 2. For all regulated telecommunications services in geographic  
8 areas determined to be competitive areas by the Commission.

9 H. A provider of telecommunications service shall be permitted  
10 to price all regulated telecommunications services determined by the  
11 Commission to be competitive under subsection G of this section at  
12 market-based rates as determined by the provider. Notwithstanding  
13 the provisions of this subsection, the Commission shall retain  
14 jurisdiction to revoke or rescind the competitive designation of a  
15 service or area after application, notice and hearing, but only upon  
16 a showing that the service or area is no longer a competitive service  
17 or area. The burden of proof shall be on the party seeking  
18 revocation or recession. If the competitive designation of a service  
19 or area is revoked or rescinded, changes in the rates of the service  
20 or services affected shall be regulated pursuant to the provisions of  
21 this section.

22 I. For purposes of this section, the Commission shall allow an  
23 incumbent local exchange telecommunications service provider that  
24 serves fewer than seventy-five thousand (75,000) access lines as of  
25 the effective date of this act, at the option of the provider, to  
26 utilize cost studies approved by the Commission for a local exchange  
27 telecommunications provider that serves seventy-five thousand  
28 (75,000) or more access lines or to utilize surrogate cost studies  
29 approved by the Federal Communications Commission.

30 J. Nothing in this act shall be construed as modifying,  
31 affecting, or nullifying the responsibilities of the Commission or  
32 any telecommunications carrier as required pursuant to the National  
33 Labor Relations Act, or to Section 121 et seq. of Title 17 of the  
34 Oklahoma Statutes, or in regard to the provisions of any settlements  
35 formally agreed to prior to the effective date of this act.  
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1 K. Nothing in this section shall be construed as restricting any  
2 right of a consumer to complain to the Commission regarding quality  
3 of service or the authority of the Commission to enforce quality of  
4 service standards through the Commission's contempt powers or  
5 authority to revoke or rescind a certificate of convenience and  
6 necessity if the provider fails to provide adequate service;  
7 provided, such certificate shall not be revoked or rescinded without  
8 notice, hearing, and a reasonable opportunity to correct any  
9 inadequacy.

10 L. The rules of the Corporation Commission governing quality of  
11 service shall apply equally to all similarly situated local exchange  
12 telecommunications service providers.

13 SECTION 4. NEW LAW A new section of law to be codified in  
14 the Oklahoma Statutes as Section 139.104 of Title 17, unless there is  
15 created a duplication in numbering, reads as follows:

16 A. For the exercise of duties and performance of  
17 responsibilities relating to telecommunications fraud pursuant to the  
18 Oklahoma Consumer Protection Act, Section 751 et seq. of Title 15 of  
19 the Oklahoma Statutes, and pursuant to Section 18b of Title 74 of the  
20 Oklahoma Statutes, the Attorney General shall receive monies not to  
21 exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) per fiscal  
22 year. The monies shall be paid from the Oklahoma Universal Service  
23 Fund pursuant to Section 7 of this act.

24 B. The Corporation Commission, through its Consumer Services  
25 Division, shall mediate grievances between consumers and  
26 telecommunications carriers and ensure compliance with quality of  
27 service standards adopted for local exchange telecommunications  
28 service providers and other telecommunications carriers which operate  
29 in this state.

30 SECTION 5. NEW LAW A new section of law to be codified in  
31 the Oklahoma Statutes as Section 139.105 of Title 17, unless there is  
32 created a duplication in numbering, reads as follows:

33 A. Each local exchange telecommunications service provider shall  
34 file tariffs with the Corporation Commission implementing a program  
35 to provide a full waiver of the End User Common Line charge and a  
36 credit equal to the End User Common Line charge on the monthly basic



1 service rate of qualifying customers. Eligibility criteria for this  
2 program shall comply with the provisions of 47 C.F.R., Section  
3 69.104(k)(1) and shall be limited to customers who:

4 1. Are eligible for or receive assistance or benefits, as  
5 certified by the Department of Human Services, under programs  
6 providing:

- 7 a. Temporary Assistance to Needy Families,
- 8 b. Food Stamps,
- 9 c. Medical Assistance, or
- 10 d. Supplemental Security Income;

11 2. Are eligible for or receive assistance or benefits, as  
12 certified by the State Department of Rehabilitation Services, under  
13 programs providing vocational rehabilitation, including aid to the  
14 hearing impaired; or

15 3. Are eligible for or receive assistance or benefits, as  
16 certified by the Oklahoma Tax Commission, pursuant to the Sales Tax  
17 Relief Act, Section 5011 et seq. of Title 68 of the Oklahoma  
18 Statutes.

19 B. The Commission shall establish and maintain an Oklahoma  
20 Lifeline Fund to help ensure that low-income Oklahomans are provided  
21 financial assistance in maintaining basic local exchange  
22 telecommunications service.

23 C. The Oklahoma Lifeline Fund charges shall be levied,  
24 collected, and administered pursuant to Section 7 of this act.  
25 Telecommunications carriers may, at their option, recover from their  
26 retail customers who are not eligible for Lifeline assistance, on an  
27 equitable basis, the amount of the Lifeline Fees paid by the carrier.  
28 The Oklahoma Lifeline Fund charges shall not be subject to state or  
29 local taxes or franchise fees.

30 SECTION 6. NEW LAW A new section of law to be codified in  
31 the Oklahoma Statutes as Section 139.106 of Title 17, unless there is  
32 created a duplication in numbering, reads as follows:

33 A. Not later than September 1, 1997, the Corporation Commission  
34 shall promulgate rules implementing the Oklahoma Universal Service  
35 Fund so that, consistent with the provisions of this section, funds

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1 can be made available to eligible local exchange telecommunications  
2 service providers.

3 B. The Fund shall be funded and administered to promote and  
4 ensure the availability of universal service at rates that are  
5 reasonable and affordable, and to provide for reasonably comparable  
6 services at affordable rates in rural areas as in urban areas. The  
7 Fund shall provide funding to local exchange telecommunications  
8 service providers that meet the eligibility criteria established in  
9 this section.

10 C. The Fund shall be funded by a charge paid by all  
11 telecommunications carriers at a level sufficient to maintain  
12 universal service.

13 D. Within sixty (60) days after receipt of an application for  
14 funds from an eligible provider, the Administrator designated  
15 pursuant to Section 7 of this act shall review and determine the  
16 accuracy of the request and advise the entity requesting the funds of  
17 the determination of eligibility made by the Administrator. The  
18 affected party shall have fifteen (15) days to request  
19 reconsideration by the Commission of the determination made by the  
20 Administrator. If reconsideration is requested, the Commission  
21 shall, after notice and hearing, issue an order on reconsideration.  
22 If the Commission does not issue an order within thirty (30) days  
23 from the request for reconsideration, the request shall be deemed  
24 approved.

25 E. Telecommunications carriers may, at their option, recover  
26 from their retail customers the Oklahoma Universal Service Fund  
27 charges paid by the telecommunications carrier. The Oklahoma  
28 Universal Service Fund charges shall not be subject to state or local  
29 taxes or franchise fees.

30 F. The Commission shall not, prior to implementation and the  
31 availability of funds from the Oklahoma Universal Service Fund,  
32 require local exchange telecommunications service providers to reduce  
33 rates for intrastate access services or require any local exchange  
34 telecommunications service provider to reduce the amount of funds  
35 such provider receives from the Oklahoma High Cost Fund, or modify or  
36 remove any exemption provided to a rural telephone company as

1 provided in the federal Telecommunications Act of 1996, P.L. 104-104.  
2 In establishing and implementing rules required by this section to  
3 maintain reasonable and affordable rates for basic local exchange  
4 telecommunications services, the Commission shall provide:

5 1. That any eligible local exchange telecommunications service  
6 provider may request funding from the Oklahoma Universal Service Fund  
7 as necessary to maintain rates for basic local exchange  
8 telecommunications services that are reasonable and affordable.  
9 Oklahoma Universal Service Fund funding shall be provided to eligible  
10 local exchange telecommunications service providers for the  
11 following:

- 12 a. investments and expenses incurred to provide, maintain,  
13 and support basic local exchange telecommunications  
14 services,  
15 b. infrastructure expenditures or mandated costs in  
16 response to facility or service requirements  
17 established by a legislative, regulatory, or judicial  
18 authority or other governmental entity, and  
19 c. for other purposes deemed necessary by the Commission  
20 to preserve and advance universal service;

21 2. That in identifying and measuring the costs of providing  
22 basic local exchange services, exclusively for the purpose of  
23 determining Oklahoma Universal Service Fund funding levels under this  
24 section, the incumbent local exchange telecommunications service  
25 provider shall, at its option:

- 26 a. calculate the costs of providing the services using  
27 fully distributed Federal Communications Commission  
28 parts 32 and 64 costs, including all embedded  
29 investments, and expenses incurred by the eligible  
30 local exchange telecommunications service provider in  
31 the provision of basic local exchange service, and may  
32 identify high-cost areas within the local exchange area  
33 it serves and perform a fully distributed allocation of  
34 embedded costs and identification of associated basic  
35 local exchange service revenue. The high-cost area  
36 shall be no smaller than a single exchange, wire

center, or census block group, chosen at the option of the incumbent local exchange telecommunications service provider, or

b. adopt the cost studies approved by the Commission for a local exchange telecommunications service provider that serves seventy-five thousand (75,000) or more access lines, or

c. adopt such other costing or measurement methodology as may be established for such purpose by the Federal Communications Commission pursuant to Section 254 of the federal Telecommunications Act of 1996, P.L. 104-104;

3. That, after notice and hearing, expanded basic local exchange services to be supported by the Oklahoma Universal Service Fund be allowed. The Administrator, upon approval of the Commission, shall determine the level of additional Oklahoma Universal Service Fund funding to be made available to an eligible local exchange telecommunications service provider which is required to recover the cost of any expansion of basic local exchange services; and

4. That for local exchange telecommunications service providers serving fewer than seventy-five thousand (75,000) access lines and for revenue-neutral recovery of charges not recovered in increases to local exchange rates of eligible local exchange telecommunications service providers serving seventy-five thousand (75,000) or more access lines:

a. in the event of a Federal Communications Commission order, rule or policy made pursuant to Section 254(a)(2) of the federal Telecommunications Act of 1996, P.L. 104-104, the effect of which is to decrease the federal universal service fund revenues of an eligible local exchange telecommunications service provider, the eligible local exchange telecommunications service provider shall recover the decreases in revenues from the Oklahoma Universal Service Fund,

1           b.    if, as a result of changes caused by existing or future  
2               federal or state regulatory rules, orders, or policies  
3               or by federal or state law, an eligible local exchange  
4               telecommunications service provider experiences a  
5               reduction in revenues or an increase in costs, it shall  
6               recover the revenue reductions or cost increases from  
7               the Oklahoma Universal Service Fund, the recovered  
8               amounts being limited to the net reduction in revenues  
9               or cost increases, and

10           c.   the receipt of Oklahoma Universal Service Fund funds  
11               for any of the changes referred to in this subsection  
12               shall not be conditioned upon any rate case or earnings  
13               investigation by the Commission. The Commission shall,  
14               pursuant to subsection D of this section, approve the  
15               request for payment from the Oklahoma Universal Service  
16               Fund based on a comparison of the total annual revenues  
17               received from these sources by the requesting eligible  
18               incumbent local exchange telecommunications service  
19               provider during the most recent twelve (12) months  
20               preceding the request, and the reasonable projection of  
21               total annual revenues or cost increases which will be  
22               experienced after the changes are implemented by the  
23               requesting eligible local exchange telecommunications  
24               service provider.

25           G.   The incumbent local exchange telecommunications service  
26               provider, its successors and assigns, which owned, maintained and  
27               provided facilities for universal service within a local exchange  
28               area on January 1, 1996, shall be the local exchange  
29               telecommunications service provider eligible for Oklahoma Universal  
30               Service Fund funding within the local exchange area, except as  
31               otherwise provided for in this act.

32           H.   Where the incumbent local exchange telecommunications service  
33               provider receives monies from the Oklahoma Universal Service Fund,  
34               except as otherwise provided in this section, the Commission, after  
35               notice and hearing, may designate other local exchange  
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1 telecommunications service providers to be eligible for the funding,  
2 provided:

3 1. The other local exchange telecommunications service provider  
4 offers the services supported by the Oklahoma Universal Service Fund  
5 to all customers in the universal service area of an incumbent local  
6 exchange telecommunications service provider using its own  
7 facilities, or a combination of its own facilities and the resale of  
8 the services or facilities of another. Universal service support  
9 under this subsection shall not begin until the other local exchange  
10 telecommunications service provider has facilities in place;

11 2. The other local exchange telecommunications service provider  
12 may only receive funding for the portion of the facilities that it  
13 owns, maintains, and uses for regulated services;

14 3. The other local exchange telecommunications service provider  
15 shall not receive Oklahoma Universal Service Fund funding at a level  
16 higher than the level of funding received by the incumbent local  
17 exchange telecommunications service provider for the same area if the  
18 incumbent local exchange telecommunications service provider is also  
19 providing service in the same area;

20 4. The other local exchange telecommunications service provider  
21 advertises the availability and charges for services it provides  
22 through a medium of general distribution; and

23 5. It is determined by the Commission that the designation is in  
24 the public interest and the other local exchange telecommunications  
25 service provider meets the quality of service rules established by  
26 the Commission.

27 I. In exchanges or wire centers where the Commission has  
28 designated more than one local exchange telecommunications service  
29 provider as eligible for Oklahoma Universal Service Fund funding, the  
30 Commission shall permit one or more of the local exchange  
31 telecommunications service providers in the area to relinquish the  
32 designation as a local exchange telecommunications service provider  
33 eligible for Oklahoma Universal Service Fund funding in a manner  
34 consistent with Section 214(c)(4) of the federal Telecommunications  
35 Act of 1996, upon a finding that at least one eligible local exchange  
36 telecommunications service provider shall continue to serve the area.

1 J. For any universal service area served by an incumbent local  
2 exchange telecommunications service provider which serves fewer than  
3 seventy-five thousand (75,000) access lines with the state, only the  
4 incumbent local exchange telecommunications service provider shall be  
5 eligible for Oklahoma Universal Service Fund funding. The company  
6 may elect to waive the right to be the only eligible local exchange  
7 telecommunications service provider within the local exchange area by  
8 filing notice with the Commission.

9 SECTION 7. NEW LAW A new section of law to be codified in  
10 the Oklahoma Statutes as Section 139.107 of Title 17, unless there is  
11 created a duplication in numbering, reads as follows:

12 A. The Oklahoma Lifeline Fund and the Oklahoma Universal Service  
13 Fund shall be funded in a competitively neutral manner by all  
14 telecommunications carriers. The funding from each carrier shall be  
15 based on the total retail-billed Oklahoma intrastate  
16 telecommunications revenues, from both regulated and unregulated  
17 services, of the telecommunications carrier as a percentage of all  
18 telecommunications carriers' total retail-billed intrastate  
19 telecommunications revenues, from both regulated and unregulated  
20 services; provided, regulated basic local exchange service revenues  
21 shall be excluded from the funding.

22 B. The Corporation Commission shall establish the Oklahoma  
23 Lifeline Fund charges and the Oklahoma Universal Service Fund charges  
24 at a level sufficient to recover costs of administration. The  
25 Commission shall provide for administration of the Oklahoma Lifeline  
26 Fund, the Oklahoma Universal Service Fund, and the Oklahoma High Cost  
27 Fund by Commission employees or by contracting for such services with  
28 a party having no conflicting interest in the provision of  
29 telecommunications services. The administrative function shall be  
30 headed by an Administrator.

31 C. If the Commission determines after notice and hearing that a  
32 telecommunications carrier has acted in violation of this section, in  
33 addition to the other enforcement powers of the Commission, including  
34 its contempt powers and authority to revoke a provider's certificate  
35 of convenience and necessity, the Commission may bring an action on  
36 behalf of the Oklahoma Lifeline Fund or the Oklahoma Universal

1 Service Fund, in the district court that the Commission deems  
2 appropriate, to recover any unpaid fees and charges the Commission  
3 has determined are due and payable, including interest,  
4 administrative and adjudicative costs, and attorney fees. Upon  
5 collection of the charges and costs, the Administrator shall pay the  
6 costs of the actions and deposit the remaining funds in the Oklahoma  
7 Lifeline Fund or the Oklahoma Universal Service Fund as appropriate.

8 SECTION 8. NEW LAW A new section of law to be codified in  
9 the Oklahoma Statutes as Section 139.108 of Title 17, unless there is  
10 created a duplication in numbering, reads as follows:

11 Nothing in this act shall be construed as applicable to the  
12 telecommunications network known as OneNet or to any other component  
13 of the Oklahoma Government Telecommunications Network.

14 SECTION 9. Pursuant to the authority vested in the Legislature  
15 by Section 35 of Article IX of the Constitution of the State of  
16 Oklahoma, the Legislature hereby expressly declares that this entire  
17 act is an amendment to, and alteration of, Sections 18 through 34  
18 inclusive of Article IX of the Constitution of the State of Oklahoma.

19 SECTION 10. REPEALER Section 3, Chapter 365, O.S.L. 1993  
20 (17 O.S. Supp. 1996, Section 137.1), is hereby repealed.

21 SECTION 11. NONCODIFICATION Section 9 of this act shall  
22 not be codified in the Oklahoma Statutes.

23 SECTION 12. This act shall become effective July 1, 1997.

24 SECTION 13. It being immediately necessary for the preservation  
25 of the public peace, health and safety, an emergency is hereby  
26 declared to exist, by reason whereof this act shall take effect and  
27 be in full force from and after its passage and approval.

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29 46-1-1190 WBT 3/17/97  
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